

MICHIGAN'S PREVAILING WAGE LAW

What is the prevailing wage?

Michigan's prevailing wage and fringe benefits rate is an established rate to be paid to construction workers on state projects.

Who establishes the prevailing wage?

Michigan's prevailing wage law (Act 166, P.A. of 1965) requires the Department of Labor & Economic Growth to establish prevailing wage and fringe benefit rates for construction workers on state financed or sponsored projects for which a state agency, university, community college or school district is the contracting agent. The Wage & Hour Division surveys labor organizations throughout the state for wage, overtime and fringe benefit information.

This information is compiled from pay rates in each county, covering various construction trades. This information is used to establish the prevailing rate for approximately 88 construction worker classifications in 83 counties. The law requires these rates be included in all contracts executed between a contracting agent and a successful bidder for a state project.

What is a State project?

State projects include new construction, alteration, repair, installation, painting, decorating, completion, demolition, conditioning, reconditioning, or improvement of public buildings, schools, public works projects, bridges, highways or roads authorized by a contracting agent.

A covered project must meet these requirements:

- Be a state project authorized by a contracting agent;
- Require or involve the employment of construction workers;
- Be sponsored or financed in whole or in part by the state;
- Have a contract entered into pursuant to advertisement and invitation to bid; and
- Require in the contract the payment of prevailing wage rates.

Who is a contracting agent?

Any officer, school board or commission of the state, state university, or a state institution supported in whole or in part by state funds, authorized to enter into a contract for a state project or to perform a state project by the direct employment of labor.

Responsibilities of a contracting agent:

The Wage & Hour Division provides prevailing rates to contracting agents upon request. The law requires the contacting agents to:

- Request the rates for **all classifications** of construction workers called for in the contract, **prior** to letting out the project for bid;

- Request a re-**determination** of rates if a contract is not awarded or construction has not begun within 90 days;
- Include a requirement to pay the prevailing rate in the contract; and
- Include a copy of the prevailing rates in the contract.

The Prevailing Wage Law gives contracting agents the authority to terminate a contractor's right to continue working on the project, if the contractor fails to pay the prevailing rates.

Responsibilities of the contractor/sub-contractor:

- Post the prevailing rates at the construction site;
- Pay the prevailing wage rate;
- Maintain records of the wages and fringe benefits paid to all construction workers; and
- Make all records available for inspection when requested by the contracting agent or the department.

Violations of the Prevailing Wage Law could result in the contractor's debarment from being awarded contracts to provide goods and services to the State of Michigan for up to eight years.

How to file a complaint.

A construction worker or interested party, who believes the prevailing rate has not been paid, may file a complaint with the Wage & Hour Division. The Division can mail complaint forms to requestors, or they can be downloaded from the Wage & Hour website: www.michigan.gov/wagehour.

Questions?

For answers to wage and hour questions or to request rates, please contact: Wage & Hour Division, 6546 Mercantile Way – Ste 5, P.O. Box 30476, Lansing 48909-7976 (Phone: 517/335.0400). The Division also has an office in the Detroit metropolitan area at 33523 West Eight Mile Rd, Livonia 48152 (Phone: 313/456-4906) and an agent stationed in the Upper Peninsula. The agent's phone number is 906/482-3602.



Michigan Department of Labor & Economic Growth
Wage & Hour Division
Authority: Wage & Hour Administrator

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